

AB 2585 – WORKERS’ COMPENSATION

Assemblywoman Fran Pavley

IN BRIEF

Ensures that injured workers seeking treatment within an employer’s medical provider network (MPN) will be seen by a physician who understands the unique demands of workers’ compensation insurance.

THE ISSUE

Treating injured workers requires a great deal of specialized knowledge to ensure that approved treatment is delivered in a timely manner. The employee’s care will be denied or delayed if the treating physician does not understand the utilization review procedures or the administrative requirements under the recently enacted workers’ compensation reform. Many physicians, however, sign contracts without knowing that they were obligating themselves to accept workers’ compensation patients, or are coerced into accepting injured workers as patients even though they know they were not prepared to deal with the workers’ compensation system.

EXISTING LAW

SB 899 (Stats. 2004) introduced the concept of medical provider networks, or “MPNs”. The idea behind MPNs was that a network of skilled medical providers would be able to provide better care for the injured worker more efficiently than a large number of individual arrangements with providers. In exchange for utilizing an MPN, the employer received the ability to contain medical costs for a longer period of time. In theory, MPNs can benefit all parties by providing better care at a lower cost due to the increased efficiency of a network and the higher skill level of medical providers.

The MPN concept, however, is being undercut in its early stages by insurance companies that are unwilling to do the actual work of building a network of skilled providers with experience in the workers’ compensation system. Instead,

certain insurance companies are simply creating MPNs out of their existing provider contracts and rushing to market with a product that does not fulfill the intent of workers’ compensation reform as provided in SB 899.

THE SOLUTION

Under this bill, an agreement to provide medical care to the enrollees of an insurance company must offer the physician the choice whether or not to treat injured workers, and acceptance of the contract cannot be conditioned upon accepting patients covered by workers’ compensation insurance. If an existing contract does not set out the agreement to treat workers’ compensation patients in a separately negotiable part of the contract, that part of the contract could be rendered void at the election of the treating physician. This bill would not automatically cancel any existing contract. If the physician willingly agreed to take workers’ compensation cases, then the contract would remain in effect.

The provisions of this bill apply only where the physician signed a contract with an “all products” clause without knowing that this included workers’ compensation patients, or where the physician knew that he or she was not prepared to accept injured workers as patient, but was compelled to sign the contract because of the market share of the insurance company offering the contract.

SUPPORT

California Medical Association (Sponsor)
California Applicants’ Attorneys Association

FOR MORE INFORMATION

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